envisaged grant of shipbuilding subsidy (20% payable by the Government and 10% by the ship-owners) and also the loans at concessional rate of 9% to the extent of 80% of the cost of a ship to the Shipping Company placing orders with the Public Sector Shipyards including Hindustan Shipyard Ltd.

The said scheme was in vogue for a period of 2 years.

There is a proposal to extend the subsidy scheme with certain modifications.

Purchasing of Foreign made Ships

1287. SHRI YERRA NARAYANASWAMY: Will the Minister of SURFACE TRANSPORT be pleased to state:

(a) whether Government are encouraging shipping companies to buy foreign made ships;

(b) if so, the reasons therefor;

(c) the impact of such a policy on Indian shipyard; and

(d) the steps proposed to encorage purchase of Indian made ships?

THE MINISTER OF SURFACE TRANSPORT (SHRI T.G. VENKATRAMAN): (a) to (d) No, Sir. However, due to high cost of construction and long delivery period of the Indian Public Sector Shipyards, shipping companies prefer to acquire ships from abroad.

In order to revive Indian Public Sector shipbuilding industry, a subsidy scheme was introduced in September, 1993 for a period of 2 years. The scheme *inter-alia,* envisaged availability of subsidy of 30% over and above the basic price (20% payable by the Government and 10% by the shipowner) and availability of interest differential subsidy on loan of 9% upto an extent to 80% of the cost of the cost of ship. Action has since been initiated to further extend the said policy.

Revival Programme of Hindustan Shipyard Limited

1288. SHRI YERRA NARAYANASWAMY: Will the Minister of SURFACE TRANSPORT be pleased to state:

(a) whether Government have formulated a Rs. 500 crore Restructuring Programme to revive Hindustan Shipyard Limited in Andhra Pradesh;

(b) if so, the details of this revival programme; and

(c) to what extent jobs likely to be saved by this programme?

THE MINISTER OF SURFACE TRANSPORT (SHRI T.G. VENKATRAMAN): (a) to (c) There is a proposal to restructure the capital base of Hindustan Shiypard Ltd., which *inter alia,* consists of treating the outstanding Government loan and interest accrued thereon by way of partly writing off and partly converting them into equity. The restructuring of the capital base will facilitate revival of the company.

Indo-Bangladesh Treaty on Inland Water Transport

1289. SHRI SANJAY DALMIA: Will the Minister of SURFACE TRANSPORT be pleased to state:

(a) whether there is a treaty between India and Bangladesh relating to Inland Water Transport;

(b) if so, the volumes of cargo movement under the treaty between the two countries during the last three years;

(c) whether there are operational and other difficulties in increasing cargo movement along the river rout under the treaty; and

(d) if so, the steps taken by Government to review and, if necessary, revise, the treaty to facilitate and augment transportation of goods between India and Bangladesh?